




**December 12, 2018**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** 91 Express Lanes Corona Customer Service Center Construction Update

**Overview**

In May 2018, the Orange County Transportation Authority Board of Directors approved a ten-year lease agreement with the Riverside County Transportation Commission for 5,009 square feet of space, as well as tenant improvement cost sharing, at a facility owned by the Riverside County Transportation Commission. The leased space will accommodate the 91 Express Lanes walk-in customer service center and call center, and the facility will be shared with the Riverside County Transportation Commission. Construction is currently underway and the space is anticipated to be ready for occupancy in the first quarter of 2019.

**Recommendation**

Authorize additional funding for Agreement No. C-8-1660 with Riverside County Transportation Commission to cover the additional tenant improvement costs for the 91 Express Lanes Corona Office, located at 301 Corporate Terrace Circle, Corona, California, in an amount not to exceed \$365,000, which represents Orange County Transportation Authority's share of the additional costs.

**Background**

The 91 Express Lanes toll road operations includes a customer service center with 29 representatives who handle customer service issues both in person and by phone/internet, as well as handling the transponder inventory. Since April 2003, the customer service center has been located on the first floor of an office building in the City of Corona; however, various maintenance issues at the location, as well as future road construction adjacent to the location, made the location less desirable for future occupancy. This led to a search for a new location for the facility. After much research, it was decided that the best option was to relocate the customer service center to a building already owned by the

Riverside County Transportation Commission (RCTC), and the relocation was subsequently approved by the Orange County Transportation Authority (OCTA) Board of Directors (Board) on May 14, 2018.

OCTA and RCTC became partners in the facility operations of the 91 Express Lanes in November 2015, and in March 2017, RCTC opened the extension of the 91 Express Lanes into Riverside County. An important part of the partnership agreement is that OCTA and RCTC share equally in the cost of lease and tenant improvement expenses.

### ***Discussion***

The tenant improvements required at the new location include the construction of a walk-up customer service center and waiting area, a call center that handles all 91 Express Lanes customer-related business, cubicles and office space for 91 Express Lanes staff, technology, infrastructure (including a new stand-by generator), relocation costs, as well as some new furniture, fixtures, and equipment. When the budget for the tenant improvements was originally brought to the OCTA Board in May 2018, it was based on preliminary estimates developed by the engineers working on the design of the project. Due to the limited design detail available at the time the preliminary estimates were developed, several cost assumptions were made. Since then, the designs have been finalized, a revised engineer's estimate has been developed, and competitive bids for the construction contract have been received by RCTC. The revised engineer's estimate and the subsequent construction bids both came in higher than the original preliminary estimates. The cost differences are mostly due to greater than expected costs related to the stand-by generator. The preliminary estimate assumed that the stand-by generator would be located immediately adjacent to the new customer service center building. However, after submitting the requests to the business owners' association for the placement of the generator, the only location that was approved was on an easement on the other side of the development next to the freeway. This caused a significant increase in costs to connect the generator to the building due to the distance from the building and the trenching of cabling involved. Other revised construction costs include electrical and lighting costs, voice/data cabling costs, and contingencies that were further refined as the design progressed from the original concept plans. The additional costs for tenant improvements are estimated at \$365,000, which includes a ten percent contingency.

**Fiscal Impact**

Funds for OCTA's additional share of the tenant improvements are available within the Fund 36 fiscal year 2018-19 budget.

***Summary***

Staff is recommending the Board authorize additional funding for Agreement No. C-8-1660 with the Riverside County Transportation Commission to cover OCTA's share of the additional costs for tenant improvements for the 91 Express Lanes Customer Service Center in Corona, in an amount not to exceed \$365,000.

***Attachments***

None.

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